



ARGENTINA



ARGENTINA - MERCHANT SHIPPING

A. POLICIES

1. The basic Argentine policy with respect to merchant shipping is characterized by a determination to lessen the country's dependence on foreign shipping, and to obtain preferential treatment for Argentine vessels by means of international commercial agreements. The implementation of this policy has necessitated a program of expansion for the merchant fleet. This was facilitated in its initial stages by the acquisition of war-immobilized vessels caught in Argentine harbors. The expansion of the merchant fleet represents one phase of a more basic Argentine policy of encouraging the country's industrialization and diminishing the economic dependence of the country on the rest of the world.

Argentine tactics in the negotiations of trade agreements with western countries have revealed the Argentine intention of exploiting the current world shortage of foodstuffs to further the interests of Argentine marine shipping.

Argentine merchant shipping policy is determined solely by the state.

2. It is reasonable to conclude that military and political considerations play a substantial part in the determination of Argentine policy with respect to merchant shipping. The control of merchant shipping by the Ministry of the Navy and the Government's determination to diminish the country's dependence on foreign interests are circumstances which strongly suggest this conclusion.
3. No subsidies are known to exist with respect to the operation of privately owned vessels. On the other hand, the Government makes generous loans in order to encourage the acquisition of additional bottoms by private owners and is actively pressing its own program of purchasing ships. While the operation of Government-owned vessels does not receive a subsidy, strictly speaking, it does enjoy certain advantages inherent in Government ownership and the consequent direct Government interest in the welfare of this activity.
4. (a) There is no new shipping construction under way in Argentina. The Government, however, has included in the Five-Year Plan an item of \$57,000,000 for development in the ports of Buenos Aires and Rosaria, as well as \$50,000,000 for port development in southern Argentina.
(b) Argentina allows perforce the use of foreign-built ships in transporting Argentine commerce. It is the policy, however, to reduce the amount of commerce so carried. In some cases a temporary increase in the Argentine merchant fleet is effected by the charter of foreign ships and their operation under the Argentine flag. Dock space is assigned impartially to Argentine and foreign-owned vessels.

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5. (a) During 1947 Argentina announced the conclusion of several international trade agreements which contained preferential shipping clauses for the protection of Argentine merchant shipping interests.
- (b) Argentine shipping companies are members of the Inter-American Maritime Conference established at Washington in 1940.
6. The National Economic Conference attempts to coordinate and integrate all transportation policy. Domestically, there is no evidence that merchant shipping and air policy are integrated. On the other hand, Argentine international policy exhibits in both fields the tendency to protect Argentine interests through arbitrary terms in commercial agreements.
7. The only shipping company which has introduced itself into the air transport field is the Dodero. This company holds the controlling interest in the Alfa Airline, resulting in a practical monopoly over river passenger transportation. To a limited extent Dodero has established ticket interchange facilities between its shipping and air interests.

B. ORGANIZATION

1. The General Administration of the National Merchant Marine is subordinate to the Ministry of the Navy. Under the General Administration are (a) The Advisory Commission for the Coordination of Maritime Traffic and (b) the General Maritime Prefecture.
2. General Administration of the National Merchant Marine
Advisory Commission for the Coordination of Maritime Traffic - created to foment, orient, regulate and protect the activities of Argentine Merchant Shipping;
The General Maritime Prefecture - controls ports, ship inspection, pilotage, crews and ship registration.
3. The coordination of all forms of transportation policy is effected theoretically by the National Economic Council. The NEC is supposed to integrate the policies of (a) Secretariat of Aeronautics, covering Civil Air, (b) the Ministry of Navy, which is responsible for the merchant marine and (c) the Ministry of Public Works, which is responsible for other forms of transportation. The problems of overlapping of functions between various agencies, and the resultant conflicts, were clearly revealed recently when an "interventor" was appointed for the port of Buenos Aires. After his appointment the "interventor" stated that "too many agencies are concerned with shipping matters."

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4. The former Advisory Commission for the Coordination of Maritime Traffic proved to be inadequate for the implementation of resolutions adopted at the Inter-American conference held at Mexico City. As a result the present General Administration of the Merchant Marine was established. Further reorganizations are not contemplated.
5. Archaic and outmoded Argentine procedure pertaining to the merchant marine, as well as its inefficient application, have been denounced by none other than the "Interventor" of ports. His frank admission reflects common knowledge among the Argentine public of these deficiencies.

C. ADMINISTRATION

1. The establishment of new shipping services is dependent on approval by the General Administration of the National Merchant Marine, though a request to this end may be initiated at any time by a shipping company.
2. Rates applying to inter-American traffic are based on the provisions of the 1940 Washington Conference. Other freight rates are proposed by the individual companies and are subject to approval by the General Administration of the National Merchant Marine. The state-owned merchant marine, as well as other Argentine shipping companies, are members of the River Plate and Brazil conferences of Freight Tariffs in effect between Argentina and the US. Generally speaking, rates approved by the General Administration of the National Merchant Marine are applied uniformly to all Argentine companies.
3. The competition of foreign shipping lines is somewhat restricted by the preferential treatment for Argentine bottoms which has been inserted in certain trade agreements (See A-1). Argentine participation in shipping pools does not appear to exist. In fact, Argentine law specifically prohibits monopolistic contracts, agreements or combinations in both fluvial and maritime shipping.
4. The General Maritime Prefecture has issued voluminous regulations pertaining to safety, which govern the inspection of equipment and personnel, and the investigation of accidents. These regulations are enforced by the Maritime Police.
5. Argentine regulations require that bridge officers and engineers be graduates of the State Nautical School. Their diplomas must be certified by the General Maritime Administration.
6. Specified shipping agencies are required to submit annual reports covering financial operations to the Ministry of the Navy. Financial and operating statements must also be published annually by all private shipping companies.